

Who Dropped Their Growth Cap Rates?

Changes in IUL Growth Cap Rates from January 2008 to February 2013

Competition Update



Pacific Life Insurance Company

When it comes to indexed universal life insurance (IUL) cap rates, Pacific Life's approach is simple – no wild rides. All of our IUL products in force today share the same nonguaranteed 12% cap rate our first IUL product had in 2005 (we even bumped it up to 13% from February 2011 to January 2013).

On the other hand, many of our competitors' rates continue to fluctuate – sometimes several times a year. We understand your clients turn to IUL for certainty in a volatile market. While we cannot guarantee the future, there's one thing you can count on from Pacific Life – steady as she goes.

Survey based on annual point-to-point method using S&P 500® Index¹ returns, excluding dividends.

Company	Product	Guaranteed Cap Rates	Prior Cap Rate	Current Cap Rate	Rate Change	Date of Change	Net change	Number of changes
Pacific Life Insurance Company	Pacific Indexed Accumulator ^{*,2} (Policy Form #P05PIA)	3.00%	12.00%	13.00%	1.00%	Feb 11	0.00%	2
	Pacific Indexed Accumulator II ^{*,2} (Policy Form #P05PIA)							
	Pacific Indexed Accumulator III ^{*,2} (Policy Form #P08PI3)		13.00%	12.00%	-1.00%	Feb 13		
	Indexed Pacific Estate Preserver ² (Policy Form No. P09IEP)							
	Pacific Indexed Accumulator 4 (Policy Form #P11PI4 or #ICC11 P11PI4— form # based on state in which policy is issued) Pacific Indexed Performer LT (Policy Form #P11PIP or #ICC11 P11PIP— form # based on state in which policy is issued) Pacific PRIME IUL [†] (Policy Form #P11P1I or ICC11 P11P1I— form # based on state in which policy is issued)	3.00%	13.00%	12.00%	-1.00%	Feb 13	-1.00%	1
Allianz	GenDex Survivor	3.00%	13.00%	12.00%	-1.00%	Sep 09	-1.50%	3
			12.00%	12.50%	0.50%	Jan 10		
			12.50%	11.50%	-1.00%	Jan 13		
American General	Elite Index UL	0.00%	11.00%	10.25%	-0.75%	Jan 08	-1.50%	6
			10.25%	10.50%	0.25%	Apr 09		
			10.50%	10.00%	-0.50%	Jul 10		
			10.00%	9.50%	-0.50%	Dec 10		
			9.50%	9.25%	-0.25%	Aug 12		
			9.25%	9.50%	.25%	Nov 12		
	Elite Survivor Index	0.00%	10.25%	10.50%	0.25%	Apr 09	-0.75%	4
			10.50%	10.00%	-0.50%	Sep 10		
			10.00%	9.50%	-0.50%	Dec 10		
			9.50%	9.25%	-0.25%	Aug 12		
			9.25%	9.50%	0.25%	Nov 12		
	Choice Index GUL	0.00%	9.25%	10.00%	0.75%	Nov 12	2.25%	2
			10.00%	11.50%	1.50%	Jan 13		
American National	ANICO IUL	3.00%	14.00%	13.00%	-1.00%	Jul 10	0.00%	3
			13.00%	14.00%	1.00%	Mar 11		
			14.00%	13.00%	-1.00%	Sep 11		
			13.00%	14.00%	1.00%	Mar 12		

* Products no longer available for sale. † Referred to as Indexed Adjustable Life in the contract.

Company	Product	Guaranteed Cap Rates	Prior Cap Rate	Current Cap Rate	Rate Change	Date of Change	Net change	Number of changes
Ameritas	Excel IUL	3.00%	8.00%	9.00%	1.00%	May 09	1.50%	5
			9.00%	10.00%	1.00%	Jan 09		
			10.00%	9.50%	-0.50%	Sep 11		
			9.50%	9.00%	-0.50%	Dec 11		
	Excel Plus Index	3.00%	9.00%	9.50%	0.50%	Nov 12		
Axa	Athena Index UL	3.00%	12.00%	11.00%	-1.00%	Feb 12	-2.00%	2
			11.00%	10.00%	-1.00%	Aug 12		
Aviva Life & Annuity	Lifetime Builder III	4.00%	12.00%	11.50%	-0.50%	Jan 10	-0.25%	3
			11.50%	12.25%	0.75%	Sep 10		
			12.00%	11.50%	-0.50%	Oct 12		
	Advantage Builder IV	4.00%	11.25%	10.75%	-0.50%	Oct 12	-0.50%	1
	Indexed Survivorship	4.00%	10.25%	9.75%	-0.50%	Oct 12	-0.50%	1
Columbus Life	Indexed Explorer Plus	3.00%	11.50%	10.00%	-1.50%	Oct 08	0.50%	17
			10.00%	10.50%	0.50%	Mar 09		
			10.50%	11.00%	0.50%	May 09		
			11.00%	10.50%	-0.50%	Aug 09		
			10.50%	11.00%	0.50%	Nov 09		
			11.00%	12.00%	1.00%	Apr 10		
			12.00%	10.50%	-1.50%	Jul 10		
			10.50%	9.50%	-1.00%	Aug 10		
			9.50%	10.50%	1.00%	Oct 10		
			10.50%	11.00%	0.50%	Nov 10		
			11.00%	10.00%	-1.00%	May 11		
			10.00%	9.00%	-1.00%	Oct 11		
			9.00%	9.50%	0.50%	Feb 12		
			9.50%	9.00%	-0.50%	Mar 12		
			9.00%	10.00%	1.00%	Apr 12		
			10.00%	10.50%	0.50%	May 12		
			10.50%	12.00%	1.50%	Sep 12		
Fidelity & Guantee Life	FG Life Choice	3.00%	12.00%	11.50%	-0.50%	Nov 12	-0.50%	1
	FG Life Elite	3.00%	12.00%	13.50%	1.50%	Nov 12	1.50%	1
ING	Indexed UL-CV	3.00%	11.00%	11.50%	0.50%	May 09	-0.50%	3
			11.50%	11.00%	-0.50%	Mar 12		
			11.00%	10.50%	-0.50%	Oct 12		
	IUL-GDB	2.50%	12.00%	11.50%	-0.50%	Mar 12	-1.00%	1
			11.50%	11.00%	-0.50%	Oct 12		

Company	Product	Guaranteed Cap Rates	Prior Cap Rate	Current Cap Rate	Rate Change	Date of Change	Net change	Number of changes
Life of the Southwest	Flex Life	3.10%	13.50%	13.00%	-0.50%	May 12	-0.50%	1
	SecurePlus Provider	3.10%	12.50%	11.50%	-1.00%	Jul 09	-2.00%	3
			11.50%	11.00%	-0.50%	Nov 09		
			11.00%	10.50%	-0.50%	May 12		
	SecurePlus Advantage 79	3.10%	15.00%	14.00%	-1.00%	Dec 08	-2.00%	5
			14.00%	14.50%	0.50%	Jun 09		
			14.50%	14.00%	-0.50%	Jul 09		
			14.00%	13.50%	-0.50%	Nov 09		
			13.50%	13.00%	-0.50%	May 12		
Lincoln Benefit	Ultra Index	3.00%	11.50%	11.00%	-0.50%	Nov 10	-2.50%	4
			11.00%	10.50%	-0.50%	Jan 11		
			10.50%	10.00%	-0.50%	Jul 11		
			10.00%	9.00%	-1.00%	Oct 12		
Midland National	Legacy Guaranteed SIUL	4.00%	13.50%	14.00%	0.50%	Aug 10	1.00%	2
			14.00%	14.50%	0.50%	Dec 11		
	XL CV 4	4.00%	15.00%	14.50%	-0.50%	Sep 12	-0.50%	1
	XL EC3	4.00%	14.00%	13.50%	-0.50%	Dec 11	-0.50%	1
	XL DB 2	4.00%	14.00%	13.50%	-0.50%	Dec 11	-0.50%	1
Minnesota Life	Eclipse IUL	0.00%	17.00%	16.00%	-1.00%	Mar 09	-4.00%	4
			16.00%	15.00%	-1.00%	Jul 10		
			15.00%	14.00%	-1.00%	Nov 11		
			14.00%	13.00%	-1.00%	Sep 12		
	Eclipse IUL Protector	0.00%	13.00%	12.00%	-1.00%	Jul 10	-3.00%	3
			12.00%	11.00%	-1.00%	Nov 12		
			11.00%	10.00%	-1.00%	Sep 12		
	Eclipse Survivor	0.00%	15.00%	14.00%	-1.00%	Nov 12	-2.00%	2
			14.00%	13.00%	-1.00%	Sep 12		
National Life	Flex Life	3.10%	13.50%	13.00%	-0.50%	May 12	-0.50%	1
National Western	NWL Lifetime Returns	4.00%	8.25%	6.50%	-1.75%	Jun 12	-1.75%	1
	Lifetime Returns Select	4.00%	8.25%	6.50%	-1.75%	Jun 12	-1.75%	1
	Lifetime Solutions	4.00%	8.25%	6.50%	-1.75%	Jun 12	-1.75%	1
North American Co. for L&H	Survivorship GIUL	4.00%	13.50%	14.00%	0.50%	Aug 10	1.00%	2
			14.00%	14.50%	0.50%	Dec 11		
	Builder IUL	4.00%	14.00%	13.50%	-0.50%	Aug 10	-0.50%	1
	Guarantee Builder IUL	4.00%	14.00%	13.50%	-0.50%	Dec 11	-0.50%	1
	Rapid Builder	4.00%	14.00%	13.50%	-0.50%	Dec 11	-0.50%	1
Penn Mutual	Survivorship Plus IUL	10.00%	14.00%	13.00%	-1.00%	Oct 10	-2.00%	2
			13.00%	12.00%	-1.00%	Feb 12		
	Accumulation Builder II	4.00%	14.00%	13.00%	-1.00%	Oct 10	-2.00%	2
			13.00%	12.00%	-1.00%	Feb 12		
Phoenix	Indexed Universal Life	4.00%	12.00%	14.00%	2.00%	Aug 09	0.00%	2
			14.00%	12.00%	-2.00%	Apr 10		

Endnotes

- 1 S&P, Standard & Poor's, and S&P 500 are registered trademarks of Standard & Poor's Financial Services LLC ("S&P") and Dow Jones is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). These trademarks have been licensed for use by S&P Dow Jones Indices LLC and have been sublicensed for certain purposes by Pacific Life Insurance Company ("Licensee"). The S&P 500 index has been licensed for use by Licensee. The life insurance product is not sponsored, endorsed, sold, or promoted by S&P Dow Jones Indices LLC, Dow Jones, S&P, or their respective affiliates. None of these parties make any representation regarding the advisability of investing in such Product.
- 2 Guaranteed minimum growth cap of 3%. In PA, the current growth cap is 11% with a 1% guaranteed minimum rate.

IUL products do not directly participate in any stock or equity investments.

All information is based on data from all companies obtained as of February 2013. Competitor information presented based on data received directly from the company. While we believe it is accurate, we cannot assure you that this is the most current information. Please contact the company for current product information.

Products are not identical, and the products' specific features and the client's use of those features will impact long term policy performance.

Many life insurance products have some flexibility in how they are structured. For example, death benefit coverage under certain products may be provided through a combination of the base policy and any available term or other riders. Each policy selected, illustrated, and sold should be structured based upon your client's particular insurance needs and financial objectives. It is your responsibility to know that the particular policy selected, illustrated, and sold will best meet your client's needs and objectives both now and in the future.



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Pacific Life Insurance Company is licensed to issue insurance products in all states except New York. Product availability and features may vary by state. Insurance products and their guarantees, including optional benefits and any fixed subaccount crediting rates, are backed by the financial strength and claims-paying ability of the issuing insurance company. Look to the strength of the life insurance company with regard to such guarantees as these guarantees are not backed by the broker-dealer, insurance agency or their affiliates from which products are purchased. Neither these entities nor their representatives make any representation or assurance regarding the claims-paying ability of the life insurance company.

Pacific Life Insurance Company's individual life insurance products are marketed exclusively through independent third-party life insurance producers, which may include bank affiliated entities. Some selling entities may limit availability of some optional riders based on their client's age and other factors. Your broker-dealer can help you determine which optional riders are available and appropriate for your clients.

Nonguaranteed elements are not guaranteed by definition. As such, Pacific Life Insurance Company reserves the right to change or modify any nonguaranteed element. This right to change nonguaranteed elements is not limited to a specific time or reason.

Investment and Insurance Products: Not a Deposit — Not FDIC Insured
— Not Insured by any Federal Government Agency — No Bank Guarantee — May Lose Value